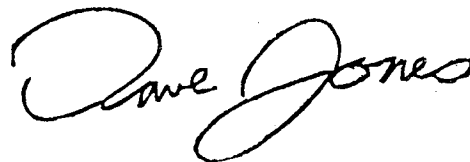


REPORT OF QUALIFYING EXAMINATION
OF THE
CYPRESS TITLE CORPORATION
AS OF
SEPTEMBER 10, 2014

A handwritten signature in black ink that reads "Dave Jones". The signature is fluid and cursive, with the first name "Dave" and last name "Jones" clearly distinguishable.

Insurance Commissioner

FILED 9-12-14

TABLE OF CONTENTS

	<u>PAGE</u>
SCOPE OF EXAMINATION	2
COMPANY HISTORY	2
MANAGEMENT AND CONTROL:.....	3
Management Agreements.....	7
CORPORATE RECORDS.....	7
TERRITORY AND PLAN OF OPERATION.....	8
STATEMENT OF FINANCIAL CONDITIONS AS OF SEPTEMBER 10, 2014.....	9
NOTES ON FINANCIAL STATEMENT ITEMS:	10
Cash in Bank	10
AFFIDAVIT	10
CONCLUSION	11
EXHIBIT A.....	12

Los Angeles, California
September 10, 2014

Honorable Dave Jones
Insurance Commissioner
California Department of Insurance
Sacramento, California

Dear Commissioner:

Pursuant to your instructions, an examination was made of the

CYPRESS TITLE CORPORATION

(hereinafter also referred to as the Corporation) at its regional office located at 450 Exchange, Suite 100, Irvine CA 92602. The Company's statutory home office is located at 5990 Stoneridge Drive, Suite 119, Pleasanton, CA 94588.

SCOPE OF EXAMINATION

This examination was conducted to determine if the Corporation's financial condition meets the minimum statutory requirements prescribed by the California Insurance Code to transact business as an underwritten title company in the State of California.

The qualifying examination included a review of the Corporation's financial statements and capital structure as of September 10, 2014.

COMPANY HISTORY

The Corporation was incorporated in the State of California on June 7, 2013. On July 23, 2014, the California Department of Insurance issued Organizational Securities Permit No. OP-2013-00969, authorizing the Corporation to sell and issue 20,000 shares

of its \$1 par value common stock, at a price of \$63.75 dollars per share, for a total of \$1,275,000. The shares were sold and issued to three shareholders as follows:

- Title Resources Group, LLC, a Delaware limited liability company, 10,400 shares for \$663,000;
- Cupressus LLC, a California limited liability company, 4,800 shares for \$306,000;
- California M&M Real Estate, Inc., a California corporation, 4,800 shares for \$306,000.

The sale of the shares was for the purpose of capitalizing the Corporation, so as to qualify it to apply for and to receive a license authorizing it to transact business as an underwritten title company in the counties of Alameda, Madera, Merced, San Joaquin, Santa Clara, Solano, and Stanislaus, California.

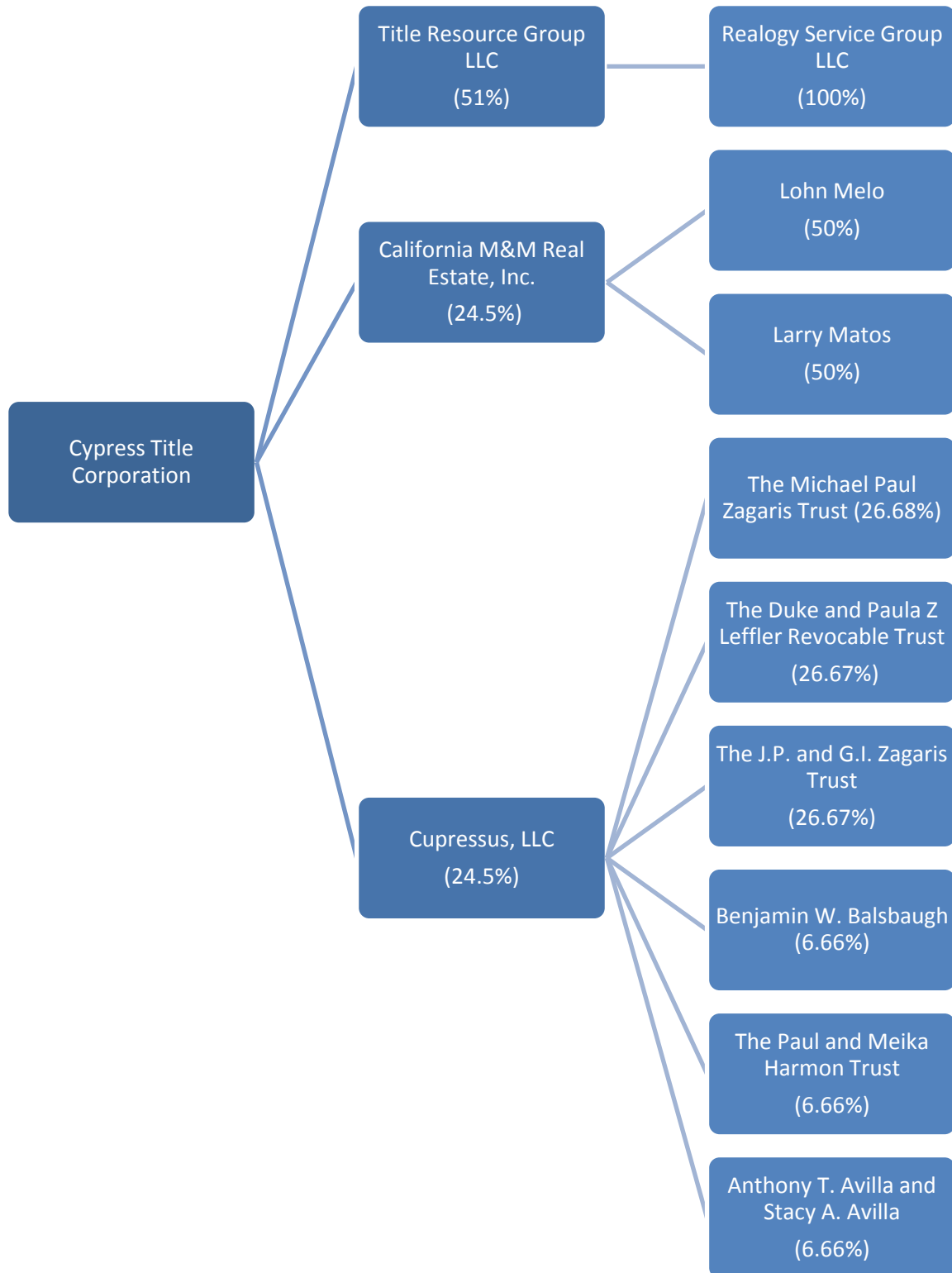
On September 2, 2014, the \$1,275,000 proceeds relating to the sale of the Corporation's 20,000 shares of its common stock were deposited into California Republic Bank located at 18400 Von Karman, Suite 1100, Irvine, CA 92612.

The minimum net worth required for the Corporation under California Insurance Code (CIC) Section 12389(a) (2) is from \$75,000 to \$400,000, depending on the aggregate number of documents recorded and documents filed in the office of the county recorder in the preceding calendar year. The Corporation forecasts that at the end of its first year of operation, it will close an average of 216 title/escrow orders per month. The Corporation's current net worth of \$1,275,000 exceeds the minimum net worth requirement.

MANAGEMENT AND CONTROL

Upon the approval of its license by the California Department of Insurance, the Corporation's shareholders will be split into three groups: Title Resource Group LLC (51%), California M&M Real Estate, Inc. (24.5%), and Cupressus, LLC (24.5%). The

following chart depicts the Company's relationship with affiliated companies post stock sale, and as of September 10, 2014:



A listing of the member of the board and principal officers serving on September 8, 2014 is as follows:

Directors

<u>Name and Location</u>	<u>Principal Business Affiliation</u>
Donald J. Casey Cherry Hill, NJ	President and Chief Executive Officer Title Resource Group LLC
E. Neil Gulley Parker, CO	Senior Vice President Title Resource Group LLC
Thomas N. Rispoli New Providence, NJ	Senior Vice President and Chief Financial Office Title Resource Group LLC

Principal Officers

<u>Name</u>	<u>Title</u>
E. Neil Gulley	Chief Executive Officer
Lorraine E. Mann	Regional President – San Diego Counties
Donald J. Cassey	Executive Vice President
Marilyn J. Wasser	Executive Vice President and Assistant Secretary
Anthony E. Hul	Executive Vice President and Treasurer
Lynette J. Gladdis	Senior Vice President and Assistant Secretary
Dea Benson	Senior Vice President
Michael P. Gozdan	Senior Vice President, General Counsel, and Secretary
Deborah Higgins	Senior Vice President, Human Resources
Walter Mullen	Senior Vice President

<u>Name</u>	<u>Title</u>
Thomas N. Rispoli	Senior Vice President and Chief Financial Officer
Timothy B. Gustavson	Vice President
Jonathon M. Silver	Vice President and Assistant Secretary
Patrick A. Treacy	Vice President, Tax
Robert R. Reints	Assistant Secretary

Agreements

The Corporation will enter into underwriting agreements with Title Resources Guaranty Corporation, Old Republic National Title Insurance Company, and Stewart Title Guaranty Company. Data Trace and Property Insight will grant the Corporation non-exclusive access to their title data platforms in the counties of Alameda, Madera, Merced, San Joaquin, and Santa Clara to the Company. In addition, the Corporation will use title information providers Advanced Title Research and California Resources as needed (e.g., for Solano and Stanislaus County) and will be accessing digital images from Data Tree, BMI Imaging and Property Insight for all official records.

All these relationships will be formalized once the Department has approved the application.

CORPORATE RECORDS

The Articles of Incorporation as filed with the Secretary of State and the bylaws submitted to the California Department of Insurance were reviewed. No discrepancies were noted with respect to these items.

TERRITORY AND PLAN OF OPERATION

The Corporation, as an underwritten title company, will engage in the business of preparing title searches, title examinations, and certificates of abstracts of title, plus conduct all normal and customary escrow functions. In addition, the Corporation proposes to engage Title Marketing Representatives, whose primary function will be the solicitation of title and escrow orders through real estate brokerage firms, mortgage lenders, home builders and other potential sources of business in the California counties of: Alameda, Madera, Merced, San Joaquin, Santa Clara, Solano, and Stanislaus.

The Corporation will locate its principal corporate office in Pleasanton, California. In addition, the Corporation will house personnel in each of the licensed California counties of Alameda, Madera, Merced, San Joaquin, Santa Clara, Solano, and Stanislaus. The Corporation's title searchers and customer service personnel will be located near both title plants and customers.

STATEMENT OF FINANCIAL CONDITIONS
AS OF SEPTEMBER 10, 2014

Assets

Cash in Bank	\$ <u>1,275,000</u>
Total assets	\$ <u>1,275,000</u>

Liabilities and Stockholders' Equity

Total Liabilities	\$ <u>0</u>
Common stock	\$ <u>1,275,000</u>
Total stockholders' equity	\$ <u>1,275,000</u>
Total liabilities and stockholders' equity	\$ <u>1,275,000</u>

NOTES ON FINANCL STATEMENT ITEMS

Cash in Bank

As of September 10, 2014, cash in the amount of \$ 1,275,000 was confirmed at California Republic Bank, 18400 Von Karman, Suite 1100, Irvine, CA 92612, Account No. 3301005105, which is in the name of the Corporation, free and clear from all encumbrances.

AFFIDAVIT

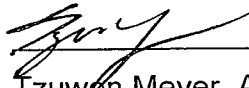
Attached as Exhibit A is the affidavit executed by Mr. Michael P. Gozdan, Senior Vice President, General Counsel and Secretary, attesting to the assets, liabilities and capital of the Corporation as of the examination date.

CONCLUSION

The undersigned has verified the financial position of the Corporation as of September 10, 2014, and has verified the cash in the bank of \$1,275,000 at California Republic Bank.

The Corporation has now complied with the financial condition of its Organizational Permit, and if all other requirements have been met, there is no objection to the Corporation obtaining a license to conduct business as an underwritten title company in the counties of Alameda, Madera, Merced, San Joaquin, Santa Clara, Solano, and Stanislaus, California.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Tzuwen Meyer', is written over a horizontal line.

Tzuwen Meyer, AFE
Examiner-In-Charge
Insurance Examiner
Department of Insurance
State of California

EXHIBIT A